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**CHUCK HAGEL**

P R E S S   R E L E A S E



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## **Hagel Introduces Prescription Drug Bill**

Washington, DC – In an effort to ensure lower drug costs and greater security for America's seniors, U.S. Senator Chuck Hagel (R-NE) today introduced a Medicare prescription drug bill.

Hagel was joined by Senators Spence Abraham (R-MI), Paul Coverdell (R-GA), John Ashcroft (R-MO), Conrad Burns (R-MT), Tim Hutchinson (R-AR), Jon Kyl (R-AZ) and John McCain (R-AZ) in introducing the bill. "The tremendous health care advances over recent years have enhanced and prolonged lives, and allowed drugs to replace surgery and other intrusive treatments," said Hagel. "But Medicare has not kept pace, which is a huge problem for seniors on fixed incomes. So while the quality of our seniors' lives has improved, it has come at a high price to their financial well-being – to the point where some seniors are choosing between food and prescriptions. Seniors deserve to have access to the discounts on prescription drugs that most other Americans receive. They also need the peace of mind that comes with knowing they won't face unlimited drug costs."

Under the "Medicare Rx Drug Discount and Security Act" there would be a one-time yearly enrollment fee of \$35 in order to participate in the plan, but seniors would pay no monthly premiums. The plan provides discount prices on prescriptions for Medicare beneficiaries through a "discount card program." It also gives seniors a limit on out-of-pocket prescription drug expenses, so they know they won't face unlimited annual drug costs. The limits would correspond with the ability to pay. For example:

- Individual seniors with incomes below \$16,700 and couples with incomes below \$22,500 (below 200% of the current poverty level) would pay no more than \$1200 annually for prescription drugs.
- Individuals with incomes above that level but below \$33,400, couples below \$45,000 (between 200-400% of poverty level) would pay no more than \$2500 annually.
- And individuals with incomes below \$100,000 and couples below \$200,000 would pay no more than \$5000 a year in prescription drugs expenses. Individuals above this income level have the ability to purchase private insurance.

"It's important that we do this without duplicating the private prescription drug plans that already serve two-thirds of our seniors. We don't need the government taking over something that is working in the private sector. We need to create incentives to expand the benefits of the marketplace to more seniors and provide them with a safety net for total expenses, without bankrupting their children's and grandchildren's futures," Hagel concluded.